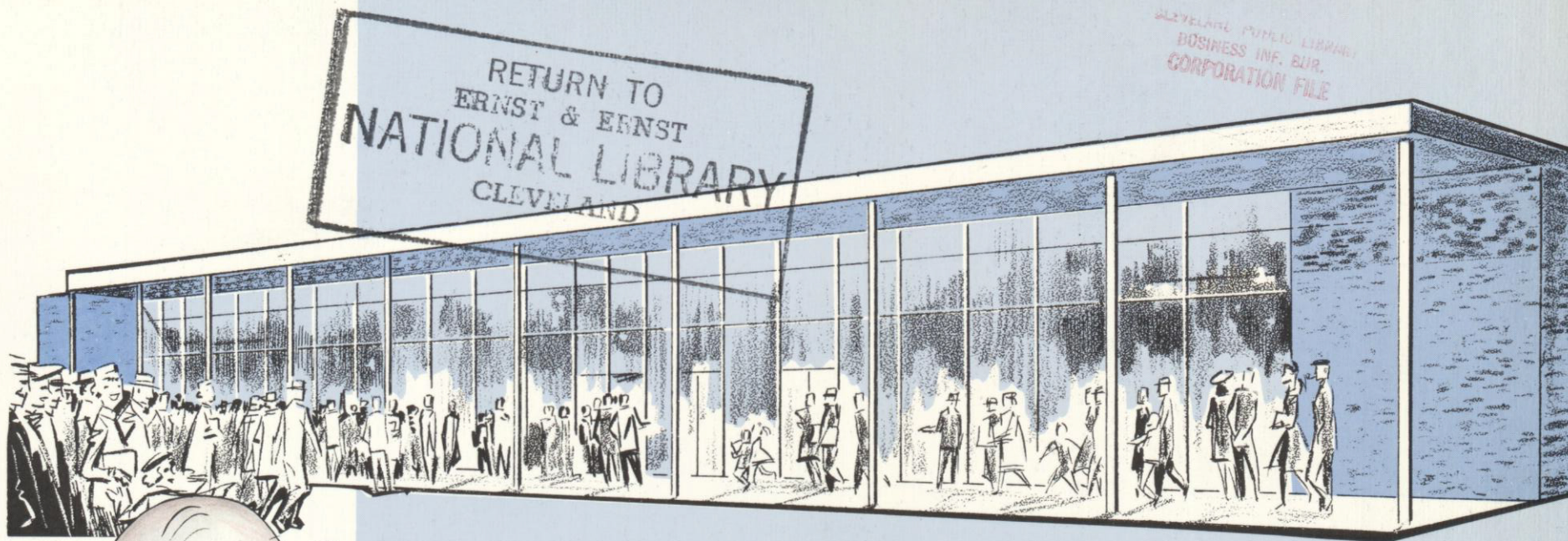




MAMMOTH MART, INC.

Self-Service
Discount Department Stores

Annual Report

YEAR ENDED JANUARY 30, 1965

DIRECTORS

Max Coffman
Henry Gornstein
Alan D. Zaff
Frank H. Brenton
Samuel P. Coffman

OFFICERS

Max Coffman, President
Henry Gornstein, Treasurer
Alan D. Zaff, Vice President
Frank H. Brenton, Vice President
Irving S. Getz, Vice President
Erwin H. Stone, Vice President
Samuel P. Coffman, Secretary
Louis Bernstein, Clerk

CORPORATE COUNSEL

Ropes & Gray, Boston, Mass.

AUDITORS

Coven and Suttenger, Boston, Mass.

TRANSFER AGENTS

State Street Bank and Trust Company, Boston, Mass.
Irving Trust Company, New York, N. Y.

REGISTRARS

The First National Bank of Boston, Boston, Mass.
The Bank of New York, New York, N. Y.

EXECUTIVE OFFICES

672 Crescent Street, Brockton, Mass. 02402

FINANCIAL HIGHLIGHTS

	For the Year Ended January 30, 1965	For the Year Ended February 1, 1964
Total Sales	\$26,720,918	\$22,204,579
Earnings before Federal Income Taxes . . .	947,748	517,537
Net Earnings	563,939	338,821
Net Earnings Per Share (based on average shares outstanding during year) . .	\$1.35	\$.85
Average Number of Shares Outstanding During Year . .	416,667	400,000
Working Capital	2,562,270	757,809
Current Ratio	3.0 to 1	1.4 to 1
Stockholders' Equity	2,579,441	1,167,617

A MESSAGE FROM THE PRESIDENT

To The Shareholders:

This is our first annual report since we became a public company, and I should like to welcome you to the Mammoth Mart family. The transition from a private to a public company is a major one, and for us it has been a gratifying experience. We are proud of Mammoth Mart, and of its record of accomplishment, and we believe that our future results will enable our new shareholders to share in that pride.

In its present corporate form, Mammoth Mart is only five years old, but our merchandising history goes back to just after World War II, when we opened our first small store in Brockton, Massachusetts. We entered the self-service department store field in 1956, when we opened our initial department store in Framingham, Massachusetts. Today, we operate 11 stores throughout New England, and we expect to increase that number in the coming year.

We have tangible evidence of our success in meeting the challenges of modern retailing. In the year just ended, the volume of our stores was \$26,720,918, up 20% from the \$22,204,579 of the previous fiscal year. We earned \$563,939 last year, which represents an increase of 66% over the previous year's earnings of \$338,821. Based on the 416,667 average number of shares outstanding during the year, we earned \$1.35 a share in 1964. On the 500,000 shares outstanding at the end of January 1965, we earned \$1.13 a share, which compares with 85 cents a share the previous year on 400,000 shares outstanding.

During 1964 we opened a new 70,000 square foot store in East Hartford, Connecticut, which was our eleventh unit. Our stores generally range in size from about 43,000 square feet to the 88,000 square foot unit in Brockton, Massachusetts. Currently we are contemplating the opening of three additional new units in 1965. Our Bristol, Connecticut store opening is scheduled for early May 1965, and we invite all shareholders to attend that opening; a new unit is going into Raynham, Massachusetts and is scheduled for completion by late summer; and one additional unit is contemplated for a new location which has not yet been finally determined. In addition, we expect to replace our original Framingham store before the end of the year, making four new units now in the planning stage or under construction.

In the succeeding pages of this report we provide some additional details about our operations, but I did want you to know of the tangible way we are expressing our optimism about the future of retailing in the areas where we now operate. While the business we are in is highly competitive, we think we have demonstrated our ability to function under such conditions.

April 5, 1965

Max
Coffman



Our organization is geared to operate in a way designed to appeal to the ultimate consumer, who can come into a Mammoth Mart store at any location and know he will receive quality merchandise at substantial savings. We believe that the additional volume added by new store openings, plus the growth in our existing stores, will enable us to increase our volume by approximately 20% this year, and we hope to achieve commensurate earnings increases. While such estimates represent targets rather than forecasts when made so early in a new year, I believe the targets are achievable.

200,000 shares of capital stock were first offered to the public on December 1, 1964. Just prior to the offering we declared an initial semi-annual cash dividend of 27½ cents a share, to be paid on the 206,000 common shares held by the public after a 3% stock dividend is paid on April 6, 1965. The latter declaration was decided on at this time to meet requirements for listing our common shares on the American Stock Exchange, and we have made preliminary application to that Exchange for permission to list.

It would be inappropriate to conclude this initial letter to shareholders without commenting on the management and employee team which has enabled us to grow. We have a competent, dedicated group of people who in effect are responsible for whatever success we have had, and I should like to thank them for their efforts.

I am also grateful for the faith shown in us by our new shareholders.

I look to the future with confidence.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Max Coffman', written over a horizontal line.

Max Coffman
President

THE YEAR IN REVIEW

Last year was an eventful one for us. It was a period during which we opened only one new store, as compared with previous years when several were opened — but nevertheless it was the most prosperous year we have ever experienced, and perhaps the fundamental reason for this is that we were in a position to benefit from the work and effort expended in bringing Mammoth Mart to the position of being a major retailing factor in our operating territory.

THE WAY WE OPERATE

In a first report to our public shareholders, it seems appropriate to indicate in some detail how we run our business.

The company's activities are directed from a 10,000 square foot office building adjacent to our retail store in Brockton, Massachusetts. It is here that the company's financial and operating policies are determined and implemented, and it is from here that our team of buyers and supervisors move out to control their departments in the individual stores.

In a retail business such as ours, advertising plays an important part, and our policies are designed to achieve maximum potential from coordinated placement of ads. We use virtually all media, although local newspaper and circular advertising receives the bulk of our advertising allocations. We also utilize radio, television, and billboards in selected marketing areas.

Material is prepared in our own advertising department, and we are thus in a position to control closely the material which goes out to the public.

Each of our stores is headed by a store manager who is aided in his operations by the individual buyers, who are in daily contact with the stores, and by the supervisors from Brockton. With most of our stores no further apart than about 50 miles, this kind of close supervision is eminently practicable.

Our approach to merchandising is quite personal. We go to great effort to see that our stores are especially bright and clean — that they are an inviting place where the customer will feel comfortable while shopping. To maintain this personal attitude, we conduct training sessions on a regular basis throughout the year for the store people most directly concerned, and we encourage all our people to acquire the skills necessary to make them more effective. The major portion of our executive personnel has come up through the ranks, and part of the excellent morale in our entire organization comes from an awareness of this attitude on the part of management.

Our department stores, with one exception (the Framingham store, which is in process of being replaced), are laid out in essentially the same way, which provides us with substantial savings in designing and laying out new units. In each of our



stores we operate the departments carrying men's, women's, and children's wearing apparel, shoes, sporting goods, and phonograph records. In most stores we also operate our own hardware, housewares and toy departments.

We service each of our retail units direct from suppliers, and operate no warehouses. We thereby achieve substantial savings from the standpoint of reduced inventory investment, labor savings because of reduced handling and elimination of re-shipping, and time savings resulting from faster shipment. While re-ordering is handled on a central basis, on certain items the stores do contact suppliers directly.

STORE EXPANSION PROGRAM

Our expansion program emphasizes orderly growth, utilizing techniques developed over the years. We take great care in our selection of sites, surveying in detail the marketing area under consideration, and we have had excellent results in part because of the caution we exercise before committing ourselves to a new location. Each of our stores is leased, and each is constructed to our own specifications. Our lease arrangements typically are long-term in character, and involve terms which we believe are advantageous to us.

We currently contemplate the opening of four units this year: our 70,000 square foot Bristol, Connecticut unit is scheduled

for opening early in May 1965, and a second unit in Raynham, Massachusetts will contain about 45,000 square feet, and is scheduled to open by late summer. A third unit is currently projected for central Maine, but final negotiations have not yet been completed. Our initial store in Framingham, Massachusetts is scheduled for replacement. Its design will be along the lines of the modern, efficient units typical of Mammoth Mart stores.

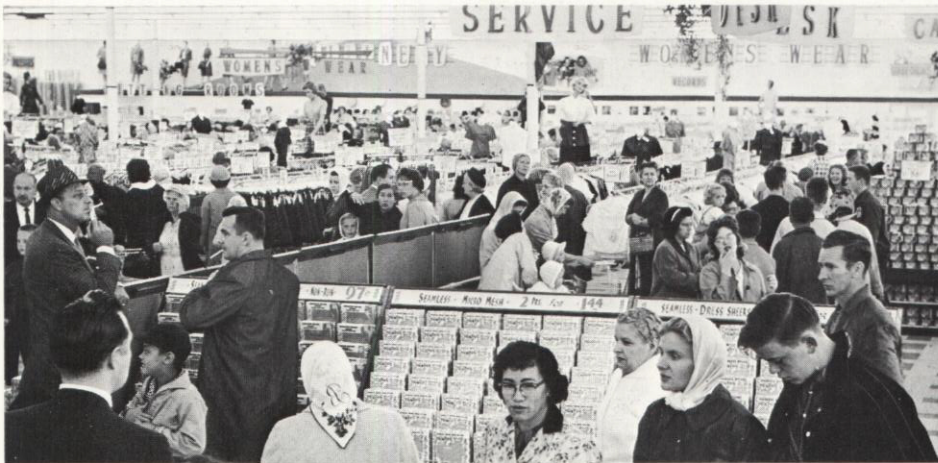
FINANCIAL FACTORS

At the end of our fiscal year (January 30, 1965), we were in excellent financial condition. Our working capital was \$2,562,270, and we had a current ratio of 3 to 1. These figures reflect the receipt of net proceeds from our first public financing, in December 1964, of \$878,000, which was added to working capital. At the same time we refunded our existing borrowings with the proceeds of term notes placed with The Prudential Insurance Company of America and the New England Merchants National Bank of Boston. The move to long-term financing seemed to us a logical step to take in our corporate development, and as we have grown larger, so have our requirements for capital. Based on our current operations, and taking into account presently-projected new store additions, our capital requirements for the near future, at least, will be met by existing and internally-generated funds and seasonal bank borrowings.



EXECUTIVE OFFICES
Brockton, Mass.

Construction and Interior Design Projects Store Image!



All Mammoth Mart stores are basically very similar in construction and design. The front of all stores employ a large quantity of glass and glazed brick... the interior design of fixturing, color decor and signing helps create the Mammoth Mart store image.

Departments are set up in an orderly merchandising progression that lead the shopper in a natural traffic pattern. Wide aisles, functional fixtures, scientific lighting all combine to give Mammoth Mart a clean, well merchandised look.





SPECIAL PROMOTIONS CREATE GOODWILL OF CUSTOMERS AND EMPLOYEES !

Shown here are three of our many annual promotions: customers square dancing in our parking lot...old fashioned bargain days, with the store personnel attired in Gay Nineties costume...free cake (from our Mammoth Birthday cake) and coffee during our birthday sale.



STORE LOCATIONS

Framingham, Mass.
Marlboro, Mass.
Brockton, Mass.
Salisbury, Mass.
East Providence, R. I.
Johnston, R. I.
Scarboro, Maine
Lewiston, Maine
Waterville, Maine
Bangor, Maine
E. Hartford, Conn.

Bristol, Conn.
(Opening May, 1965)



MAMMOTH MART, INC. and Subsidiaries

	ASSETS	January 30 1965	February 1 1964
Current Assets:			
Cash		\$ 429,374	\$ 376,446
Certificates of deposit		1,000,000	—
Sundry receivables		43,787	25,155
Merchandise inventories, at the lower of cost or market as determined by the retail method		2,319,513	2,096,742
Prepaid expenses		47,844	78,083
Total current assets		3,840,518	2,576,426
Deferred Store Opening Costs Unamortized (Note A)		53,951	70,138
Cash Surrender Value of Life Insurance		54,700	44,024
Property and Equipment, at cost:			
Land		22,101	22,101
Furniture and fixtures		1,332,052	1,127,754
Leasehold improvements		230,616	198,184
Automobiles		20,466	22,425
		1,605,235	1,370,464
Less Accumulated depreciation and amortization		511,398	369,834
Property and equipment — net		1,093,837	1,000,630
Sundry Assets		12,113	54,236
TOTAL ASSETS		\$5,055,119	\$3,745,454

The accompanying notes are an
integral part of this statement.



Consolidated Balance Sheet

at January 30, 1965 with Comparative Figures at February 1, 1964

	January 30 1965	February 1 1964
LIABILITIES		
Current Liabilities:		
Notes payable — banks	—	\$ 261,000
Current portion of long-term debt (Note B)	\$ 66,667	248,153
Accounts payable	554,183	953,748
Dividends payable (Note C)	56,650	—
Provision for federal income taxes	370,247	164,083
Accrued liabilities:		
Taxes (other than federal income taxes)	102,676	105,031
Payroll and other expenses	127,825	86,602
Total current liabilities	1,278,248	1,818,617
Long-Term Debt, Less Current Portion (Note B)	1,133,333	692,534
Deferred Federal Income Taxes (Note D)	64,097	66,686
Total liabilities	2,475,678	2,577,837
STOCKHOLDERS' EQUITY		
Common Stock, \$1 par value (authorized 1,000,000 shares),		
issued and outstanding: 1965—200,000 shares; 1964—400,000 shares	200,000	400,000
Class B Common Stock, \$1 par value (authorized 500,000 shares),		
issued and outstanding 300,000 shares (Note E)	300,000	—
Capital Surplus	779,018	1,000
Retained Earnings (Note B)	1,300,423	766,617
Total stockholders' equity	2,579,441	1,167,617
Long-Term Leases (Note F)		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$5,055,119	\$3,745,454

The accompanying notes are an integral part of this statement.

MAMMOTH MART, INC. and Subsidiaries

Statement of Consolidated Earnings

	Year Ended January 30 1965	Year Ended February 1 1964
INCOME:		
Sales (including concessionaires')	\$26,720,918	\$22,204,579
Less concessionaires' sales	<u>7,952,235</u>	<u>6,946,042</u>
Sales (own departments)	18,768,683	15,258,537
Income from concessionaires	895,285	779,972
Other income	<u>57,964</u>	<u>45,849</u>
	<u>19,721,932</u>	<u>16,084,358</u>
COSTS AND EXPENSES:		
Cost of goods sold	13,770,561	11,389,723
Store operating, administration and general expenses	4,771,078	3,983,763
Depreciation and amortization	148,625	114,240
Interest expense	<u>83,920</u>	<u>79,095</u>
	<u>18,774,184</u>	<u>15,566,821</u>
Earnings before provision for federal income taxes	947,748	517,537
Provision for federal income taxes	<u>383,809</u>	<u>178,716</u>
NET EARNINGS	<u><u>\$ 563,939</u></u>	<u><u>\$ 338,821</u></u>

The accompanying notes are an
integral part of this statement.

MAMMOTH MART, INC. and Subsidiaries

Statement of Source and Application of Funds

	Year Ended January 30 1965	Year Ended February 1 1964
Source of Funds:		
Net earnings for the year	\$ 563,939	\$ 338,821
Charges to earnings not requiring current cash outlays:		
Depreciation and amortization of property and equipment	148,625	114,240
Amortization of new store opening costs	64,732	98,069
Increase in long-term debt not due within one year	440,799	29,656
Sale of common stock, net of underwriting discount and expenses	878,018	—
Decrease (increase) in sundry assets	42,123	(52,029)
All other — net	13,690	7,111
	<u>2,151,926</u>	<u>535,868</u>
Application of Funds:		
Additions to property and equipment	229,005	419,756
New store opening costs incurred	48,545	79,181
Dividends declared	56,650	—
Decrease (increase) in deferred federal income taxes	2,589	(16,436)
Increase in cash surrender value of life insurance	10,676	9,853
	<u>347,465</u>	<u>492,354</u>
Resulting in an Increase in Working Capital:		
Increase in cash (including certificates of deposit)	1,052,928	28,604
Increase in sundry receivables	18,632	5,257
Increase in inventories	222,771	354,830
Increase (decrease) in other current assets	(30,239)	26,303
Decrease (increase) in current liabilities	540,369	(371,480)
Total increase in working capital	<u><u>\$1,804,461</u></u>	<u><u>\$ 43,514</u></u>

The accompanying notes are an
integral part of this statement.

MAMMOTH MART, INC. and Subsidiaries

Statement of Consolidated Retained Earnings and Capital Surplus

	Year Ended January 30 1965	Year Ended February 1 1964
RETAINED EARNINGS		
Retained earnings at beginning of year	\$ 766,617	\$ 427,796
Net earnings for the year	563,939	338,821
Adjustment of investment credit for prior years (Note G)	26,517	—
	<u>1,357,073</u>	<u>766,617</u>
Cash dividends declared:		
Common stock, \$.275 per share (Note C)	56,650	—
Retained earnings at end of year (Note B)	<u>\$1,300,423</u>	<u>\$ 766,617</u>
CAPITAL SURPLUS		
Balance at beginning of year	\$ 1,000	\$1,000
Excess of proceeds received from sale of 100,000 shares of common stock over par value, less underwriting discount and other expenses in connection with the issuance (Note E)	778,018	—
Balance at end of year	<u>\$779,018</u>	<u>\$1,000</u>

The accompanying notes are an
integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JANUARY 30, 1965

PRINCIPLES OF CONSOLIDATION:

The financial statements include the accounts of Mammoth Mart, Inc. and all of its subsidiaries. All subsidiaries are wholly owned. All intercompany accounts and intercompany transactions have been eliminated.

Note A DEFERRED STORE OPENING COSTS:

Certain non-recurring pre-opening costs incurred in connection with the opening of new store units, chiefly costs of training sales personnel, publicity expenses and advertising costs, are deferred and amortized over a period of 24 months, commencing with the start of store operations. New store opening costs deferred in the current year totaled \$48,545, as compared to \$79,181 for the preceding year, while amortization of these costs was \$64,732 and \$98,069 for the respective years.

Note B LONG-TERM DEBT:

Long-term debt consisted of the following items at January 30, 1965:

Note payable to insurance company:	
5 $\frac{7}{8}$ % — due in annual installments of	
\$83,000 beginning January 15, 1969	\$1,000,000
Note payable to bank:	
5 $\frac{3}{8}$ % — due in annual installments of	
\$66,667 beginning January 15, 1966	200,000
	1,200,000
Less Current Portion	66,667
	<u>\$1,133,333</u>

The Company's long-term debt agreements, among other things: (I) contain restrictions as to the creation and existence of indebtedness; (II) limit the aggregate rents payable in any fiscal year on leases of retail stores; (III) limit total liabilities at the end of any semi-annual or annual fiscal period to 200% of consolidated tangible net worth; (IV) require the maintenance of consolidated working capital of at least \$1,700,000; and (V) contain restrictions on payment of cash dividends by the Company, under which \$273,000 of the consolidated retained earnings at January 30, 1965 was available for cash dividends.

Note C DIVIDENDS:

On November 27, 1964 a cash dividend of 27 $\frac{1}{2}$ ¢ per share on the Common Stock was declared, payable June 1, 1965 to stockholders of record on April 30, 1965.

On March 9, 1965 the Company declared a 3% stock dividend on its Common and Class B Common Stock to be paid on April 6, 1965. Upon distribution of this dividend, the retained earnings account will be decreased by \$150,000, with \$15,000 being added to the capital stock accounts and \$135,000 being added to the capital surplus account.

Note D DEFERRED FEDERAL INCOME TAXES:

For federal income tax purposes all store opening costs are expensed as incurred (see Note A). In some instances fixed assets are depreciated on an accelerated basis for income tax purposes whereas the financial statements reflect depreciation

computed on the straight-line method. Because of a difference between tax and corporate accounting methods in these instances, the resulting variance between actual and book federal taxes on income is reflected in the financial statements as a deferred liability.

Note E COMMON STOCK AND RELATED MATTERS:

On December 1, 1964, 200,000 shares of Common Stock were sold in a public offering at \$10 per share, 100,000 of which were sold by the Company and 100,000 were sold by stockholders.

Prior to the public offering, there was a recapitalization whereby 300,000 shares of Common Stock were exchanged for 300,000 shares of Class B Common Stock.

The Common Stock and the Class B Common Stock are identical in all respects except that (a) only Common Stock is entitled to cash dividends, (b) Class B Common Stock may become convertible into Common Stock on a share for share basis, (c) Common Stock and Class B Common Stock are entitled to vote as separate classes on certain limited matters, and (d) stock dividends on Common Stock will be payable only in Common Stock and on Class B Common Stock will be payable only in Class B Common Stock.

Note F LONG-TERM LEASES:

Long-term leases for real property occupied at January 30, 1965 provided for aggregate minimum annual rentals of approximately \$815,000 (exclusive of taxes, insurance and other expenses to be paid by the lessee). In addition the Company has entered into a long-term lease for an additional store which is now under construction and has signed a letter of intent to lease another. The minimum annual rentals for the two new stores will aggregate \$156,000.

Note G INVESTMENT CREDIT:

Commencing with the year ended January 30, 1965, the Company adopted the practice of accounting for the investment tax credit (\$14,169 for the current year) as a reduction of the provision for federal income tax. In prior years the Company amortized the investment credit over the estimated productive lives of the related assets. Such prior years' credits totaling \$26,517 are being added to the retained earnings account. One of the subsidiaries has an investment credit carryforward of \$28,440, of which \$3,225 expires January 31, 1967 and \$25,215 expires January 31, 1968.

STOCK OPTION PLAN:

Under a Stock Option Plan adopted in October 1964, 25,000 shares of Common Stock have been reserved for the granting of options to officers and employees at a price not less than the fair market value of such stock at the date of grant. During 1964 options under the Plan to purchase an aggregate of 17,050 shares of Common Stock prior to November 15, 1969 at \$10 per share were granted to officers and employees.

PROFIT SHARING RETIREMENT PLAN:

The Company's contribution to its profit sharing retirement plan which was adopted in November 1962, was \$20,000 for the current year as compared to \$16,989 for the prior year.



5 YEAR FINANCIAL COMPARISONS

	1965	1964	1963	1962	1961
Operating Results:					
Sales (including concessionaires')	\$26,720,918	\$22,204,579	\$15,645,436	\$10,308,768	\$ 7,727,799
Concessionaires' Sales	7,952,235	6,946,042	4,903,905	3,655,505	2,620,849
Sales (own departments)	<u>18,768,683</u>	<u>15,258,537</u>	<u>10,741,531</u>	<u>6,653,263</u>	<u>5,106,950</u>
Earnings Before Income Taxes and Special Items	947,748	517,537	270,941	444,981	207,768
Federal Income Taxes	383,809	178,716	94,141	179,722	67,284
Earnings Before Special Items	<u>563,939</u>	<u>338,821</u>	<u>176,800</u>	<u>265,259</u>	<u>140,484</u>
Special Items†	—	—	(23,525)	5,017	(69,687)
Net Earnings for the Year	<u>563,939</u>	<u>338,821</u>	<u>153,275</u>	<u>270,276</u>	<u>70,797</u>
Working Capital, Property and Other Assets:					
Current Assets	3,840,518	2,576,426	2,161,432	1,860,056	968,540
Less Current Liabilities	<u>1,278,248</u>	<u>1,818,617</u>	<u>1,447,137</u>	<u>1,621,821</u>	<u>657,734</u>
Working Capital	2,562,270	757,809	714,295	238,235	310,806
Property and Equipment	1,093,837	1,000,630	702,225	433,463	163,384
Other Assets	<u>120,764</u>	<u>168,398</u>	<u>125,404</u>	<u>88,328</u>	<u>17,450</u>
	<u>3,776,871</u>	<u>1,926,837</u>	<u>1,541,924</u>	<u>760,026</u>	<u>491,640</u>
Capitalization:					
Long-Term Debt	1,133,333	692,534	662,878	67,323	86,395
Deferred Federal Income Taxes	64,097	66,686	50,250	17,182	—
Stockholders' Equity	<u>2,579,441</u>	<u>1,167,617</u>	<u>828,796</u>	<u>675,521</u>	<u>405,245</u>
	<u>\$ 3,776,871</u>	<u>\$ 1,926,837</u>	<u>\$ 1,541,924</u>	<u>\$ 760,026</u>	<u>\$ 491,640</u>
Significant Comparative Statistics:					
Earnings Per Share—Before Special Items‡	\$1.35	\$.85	\$.44	\$.67	\$.35
Earnings Per Share—Special Items	—	—	(.06)	.01	(.17)
Net Earnings Per Common Share‡	\$1.35	\$.85	\$.38	\$.68	\$.18
Net Earnings as Per Cent of Net Sales	3.0%	2.2%	1.4%	4.1%	1.4%
Net Earnings as Per Cent of Stockholders' Equity at Beginning of Year	48.3%	40.9%	22.7%	66.7%	21.2%
Ratio of Current Assets to Current Liabilities	3.0 to 1	1.4 to 1	1.5 to 1	1.1 to 1	1.5 to 1
Book Value Per Share*	\$5.16	\$2.92	\$2.07	\$1.69	\$1.01
Average Number of Shares Outstanding During Year	416,667	400,000	400,000	400,000	400,000

‡ Based on average number of shares outstanding during year.

* Based on shares outstanding at end of year.

† Income or loss from discontinued operations in 1961 and 1962 and cost of registration statement withdrawn in 1963.

COVEN AND SUTTENBERG
CERTIFIED PUBLIC ACCOUNTANTS
BOSTON, MASSACHUSETTS

We have examined the accompanying balance sheet of Mammoth Mart, Inc. and subsidiaries as at January 30, 1965, and the related statements of consolidated earnings, retained earnings, capital surplus and source and application of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, said statements present fairly the financial position of Mammoth Mart, Inc. and subsidiaries at January 30, 1965, the results of their operations and the source and application of funds for the year then ended, in conformity with generally accepted accounting principles applied (except for the change in the method of accounting for the investment tax credit, as explained in Note G to the financial statements) on a basis consistent with that of the preceding year.

Coven and Suttenger

March 17, 1965

ACCOUNTANTS'
REPORT



EXECUTIVE OFFICES

672 Crescent Street, Brockton, Mass. 02402